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DALLAS OFFICE

1600 ONE DALLAS CENTRE
DALLAS, TEXAS 75201
(214) 741-9241

ROBERT M. COHAN
RESIDENT PARTNER

WILLIAM M. LEVINE (1924-1975)

OF COUNSEL
PHILIP ELMAN
CHARLES FABRIKANT
DON WALLACE, JR.

11172
RECORDATION NO. 11172 Filed 1425

DEC 06 1979 - 4 20 PM

INTERSTATE COMMERCE COMMISSION

December 6, 1979

Secretary
Interstate Commerce
Commission
Washington, D. C. 20423

Dear Sir:

On behalf of Republic National Bank of Dallas,
Pacific and Ervay Streets, Dallas, Texas 75201, you
are requested to accept for filing in accordance with
49 U.S.C. § 11303 and implementing regulations the
enclosed security agreement dated November 28, 1975
between Republic National Bank of Dallas, the secured
party, and Messrs. Andrew Sigel, David Rosenberg and
Marcus Rosenberg, 2625 Belt Line Road, Carrollton, Texas
75006, debtors.

This security agreement covers twenty-five (25)
100 ton 4,750 cubic foot covered hopper cars with through
center sill manufactured by Trinity Industries, Inc. having
serial numbers 424348 through 424372, and having car num-
bers LMWX-100 through LMWX-124.

Please return the original document to me.

Sincerely,

C. Westbrook Murphy
C. Westbrook Murphy

CWM:cb

9-340A060
DEC 6 1979
Date
Fee \$ 50.00

ICC Washington, D. C.

Clunker Party - Drif Zard

Interstate Commerce Commission
Washington, D.C. 20423

12/6/79

OFFICE OF THE SECRETARY

C. Westbrook Murphy

Wald, Harkrader & Ross

1300 19th Street, N.W.

Washington, D.C. 20036

Dear

Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on at , and assigned re-
recording number(s). 12/6/79 4:30pm

11172

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

DATED November 28, 1979
 BETWEEN

DEC 06 1979 -4 20 PM

Secured party		Debtor	
REPUBLIC NATIONAL BANK of DALLAS PACIFIC and ERVAY STREETS DALLAS, TEXAS 75201		<input checked="" type="checkbox"/> Individual <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other Name Andrew Sigel, David Rosenberg and Marcus Rosenberg ADDRESS <input type="checkbox"/> Residence <input checked="" type="checkbox"/> Place of Business <input type="checkbox"/> Chief Executive Office (if more than one place of business) Street 2625 Belt Line Road Mailing City Carrollton County Dallas State TX Zip 75006	

A. AGREEMENT

1. **Security Interest.** Subject to the applicable terms of this agreement, debtor assigns and grants to secured party a security interest and lien in the collateral to secure the payment and the performance of the obligation.

B. OBLIGATION

1. **Description of Obligation.** The following obligations (obligation) are secured by this agreement:
- All debt, obligations, liabilities and agreements of debtor to secured party, now or hereafter existing, arising directly between debtor and secured party or acquired outright, conditionally or as collateral security from another by secured party, absolute or contingent, joint or several, secured or unsecured, due or not due, contractual or tortious, liquidated or unliquidated, arising by operation of law or otherwise, direct or indirect, and including but not limited to any debt, obligation or liability of debtor to secured party as a member of any partnership, syndicate, association or other group, whether incurred by debtor as principal, guarantor, surety, indorser, accommodation party or otherwise, and all renewals, extensions or rearrangements of any of the above.
 - Secured party's participation in any debt of debtor to another person.
 - All costs incurred by secured party to obtain, preserve, perfect and enforce this security agreement and security interest, collect the obligation, and maintain, preserve, collect and enforce the collateral, including but not limited to taxes, assessments, insurance premiums, repairs, reasonable attorney's fees and legal expenses, feed, rent, storage costs and expenses of sale.
 - Interest on the above amounts as agreed between secured party and debtor, or if there is no agreement, at the highest lawful rate.
 - All debt, obligations and liabilities of _____ (if such blank is completed, such party, together with the debtor named above, are hereinafter referred to collectively as "debtor") to secured party of the kinds described in this Item B., now existing or hereafter arising.

C. COLLATERAL

1. **Description of Collateral.** The security interest is granted in the following (collateral): (If collateral includes crops growing or to be grown, timber to be cut, fixtures, minerals, or an account resulting from sale of minerals, describe real estate and name record owner.)

- Twenty-five (25) one hundred ton, 4,750 cubic foot covered hopper cars with through center sill manufactured by Trinity Industries, Inc., having serial numbers 424348, 424349, 424350, 424351, 424352, 424353, 424354, 424355, 424356, 424357, 424358, 424359, 424360, 424361, 424362, 424363, 424364, 424365, 424366, 424367, 424368, 424369, 424370, 424371, 424372, respectively, and having car numbers LMWX-100, LMWX-101, LMWX-102, LMWX-103, LMWX-104, LMWX-105, LMWX-106, LMWX-107, LMWX-108, LMWX-109, LMWX-110, LMWX-111, LMWX-112, LMWX-113, LMWX-114, LMWX-115, LMWX-116, LMWX-117, LMWX-118, LMWX-119, LMWX-120, LMWX-121, LMWX-122, LMWX-123, LMWX-124, respectively, together with any and all rights, titles and interest of debtor as lessor in and to any and all leases of each and every one of the foregoing described hopper cars and any and all extensions thereof, together with all income, receipts, service charges, rentals, payments and other monies due or to become due to debtor, his heirs, devisees, beneficiaries, legal representatives, successors or assigns, under any and all of said leases and any and all extensions or renewals thereof.
- All substitutes and replacements for, accessions, attachments and other additions to, tools, parts and equipment used in connection with, and proceeds and products of, the above collateral (including all income and benefits resulting from any of the above, such as dividends payable or distributable in cash, property or stock; interest, premium and principal payments; redemption proceeds and subscription rights; and shares or other proceeds of conversions or splits of any securities in collateral), and returned or repossessed collateral, any of which, if received by debtor, shall be delivered immediately to secured party.
- The balance of every deposit account of debtor under control of secured party and any other claim of debtor against secured party, now or hereafter existing, liquidated or unliquidated, and all money, instruments, securities, documents, chattel paper, credits, claims, demands, income, and any other property, rights and interests of debtor which at any time shall come into the possession or custody or under the control of secured party or any of its agents, affiliates or correspondents, for any purpose, and the proceeds of any thereof. Secured party shall be deemed to have possession of any of the collateral in transit to or set apart for it or any of its agents, affiliates or correspondents. The holder of any participation in the obligation shall have a right of setoff with respect to any obligation of such holder to debtor to satisfy the obligation.
- All policies of insurance covering the collateral and proceeds thereof.
- All security for the payment of any of the collateral, and all goods which gave or will give rise to any of the collateral or are evidenced, identified or represented therein or thereby.
- All property similar to the above hereafter acquired by debtor.

2. **After Acquired Consumer Goods.** The security interest hereunder shall attach to after acquired consumer goods only to the extent permitted by Sec. 9.204(b) of the Texas Uniform Commercial Code (UCC).

D. DEBTOR'S WARRANTIES

- Financing Statements.** No financing statement covering the collateral is or will be on file in any public office, except the financing statements relating to this security interest.
- Ownership.** Debtor owns, or will use the proceeds of any loans by secured party to become the owner of, the collateral free from any setoff, claim, restriction, lien, security interest or encumbrance except liens for taxes not yet due and the security interest hereunder.
- Fixtures and Accessions.** None of the collateral is affixed to real estate or is an accession to any goods, or will become a fixture or accession, except as expressly set out herein.

4. **Claims of Debtors on Collateral.** All account debtors and other obligors whose debts or obligations are part of the collateral have no right to setoffs, counterclaims or adjustments, and no defenses in connection therewith.

5. **Accuracy of Financial Statements.** All balance sheets, earnings statements and other financial data which have been or hereafter may be furnished to secured party to induce it to permit the obligation or to make this agreement or in conjunction herewith truly represent or shall truly represent the financial condition and operations of debtor as of the dates and for the periods shown thereon; and all other information, reports, papers and data furnished to secured party are or shall be, at the time furnished, accurate and correct in all respects and complete insofar as necessary to give secured party a true and accurate knowledge of the subject matter.

6. **Power and Authority.** Debtor has full power and authority to make this agreement.

E. DEBTOR'S COVENANTS

1. **Obligation and This Agreement.** Debtor shall perform promptly all of his agreements herein and in any other agreements between him and secured party.

2. **Ownership of Collateral.** At the time debtor grants to secured party a security interest in any collateral, debtor shall be the absolute owner thereof and shall have the right to grant such security interest. Debtor shall defend the collateral against all claims and demands of all persons at any time claiming any interest therein adverse to secured party. Debtor shall keep the collateral free from all liens and security interests except those for taxes not yet due and the security interest hereby created.

3. **Insurance.** Debtor shall insure the collateral with companies acceptable to secured party against such casualties and in such amounts as secured party shall require. All insurance policies shall be written for the benefit of debtor and secured party as their interests may appear, or in other form satisfactory to secured party, and such policies or certificates evidencing the same shall be furnished to secured party. All policies of insurance shall provide for written notice to secured party at least 10 days prior to cancellation. Risk of loss or damage is debtor's to the extent of any deficiency in any effective insurance coverage. Secured party is appointed debtor's attorney-in-fact to collect any return or unearned premiums or the proceeds of such insurance and to indorse any draft or check payable to debtor therefor.

4. **Maintenance.** Debtor shall keep goods in collateral in good condition.

5. **Secured Party's Costs.** Debtor shall pay all costs necessary to obtain, preserve, perfect, defend and enforce this security interest, collect the obligation, and preserve, defend, enforce and collect the collateral, including but not limited to taxes, assessments, insurance premiums, repairs, reasonable attorney's fees and legal expenses, feed, rent, storage costs and expenses of sales. Whether collateral is or is not in secured party's possession, and without any obligation to do so and without waiving debtor's default for failure to make any such payment, secured party at its option may pay any such costs and expenses, discharge encumbrances on collateral, and pay for insurance of collateral, and such payment shall be a part of the obligation. Debtor agrees to reimburse secured party on demand for any costs so incurred.

6. **Information and Inspection.** Debtor shall (i) furnish secured party any financial statements of debtor or reports to debtor by accountants or others pertaining to debtor's business as soon as available, and any information with respect to collateral requested by secured party; (ii) allow secured party to inspect the collateral, at any time and wherever located, and to inspect and copy, or furnish secured party with copies of, all records relating to the collateral and the obligation; (iii) furnish secured party such information as secured party may request to identify inventory, accounts and general intangibles in collateral, at the time and in the form requested by secured party; and (iv) deliver upon request to secured party shipping and delivery receipts evidencing the shipment of goods and invoices evidencing the receipt of, and the payment for, inventory in collateral.

7. **Additional Documents.** Debtor shall sign any papers furnished by secured party which are necessary in the judgment of secured party to obtain, maintain and perfect the security interest hereunder and to enable secured party to comply with the Federal Assignment of Claims Act or any other federal or state law in order to obtain or perfect secured party's interest in collateral or to obtain proceeds of collateral.

8. **Parties Liable on Collateral.** Debtor will preserve the liability of all obligors on any collateral, will preserve the priority of all security therefor, and will deliver to secured party the original certificates of title on all motor vehicles securing the collateral. Secured party shall have no duty to preserve such liability or security, but may do so at the expense of debtor, without waiving debtor's default.

9. **Modification of Collateral.** Without the written consent of secured party, debtor shall not agree to any modification of any of the terms of any accounts, contracts, chattel paper, general intangibles or instruments in collateral.

10. **Right of Secured Party to Notify Debtors.** At any time, whether debtor is or is not in default hereunder, secured party may notify persons obligated on any collateral to make payments directly to secured party and secured party may take control of all proceeds of any collateral. Until secured party elects to exercise such rights, debtor, as agent of secured party, shall collect and enforce all payments owed on collateral.

11. **Delivery of Receipts to Secured Party; Rejected Goods.** Upon secured party's demand, debtor will deposit, upon receipt and in the form received, with any necessary indorsement, all payments received as proceeds of collateral, in a special bank account in a bank of secured party's choice over which secured party alone shall have power of withdrawal. The funds in said account shall secure the obligation. Secured party is authorized to make any indorsement in debtor's name and behalf. Pending such deposit, debtor shall not mingle any such payments with any of debtor's other funds or property, but will hold them separate and upon an express trust for secured party. Secured party may from time to time apply the whole or any part of the funds in the special account against the obligation.

Unless secured party notifies debtor in writing that it dispenses with any one or more of the following requirements, debtor shall

a. inform secured party immediately of the rejection of goods, delay in delivery or performance, or claim made, in regard to any collateral;

b. keep returned goods segregated from debtor's other property, and hold the goods as trustee for secured party until it has paid secured party the amount loaned against the related account or chattel paper and deliver the goods on demand to secured party; and

c. pay secured party the unpaid amount of any account in collateral (i) if the account is not paid when due; (ii) if purchaser rejects the goods or services covered by the account; or (iii) if secured party shall at any time reject the account as unsatisfactory. Secured party may retain the account in collateral. Secured party may charge any deposit account of debtor with any such amounts.

12. **Records of Collateral.** Debtor at all times will maintain accurate books and records covering the collateral. Debtor immediately will mark all books and records with an entry showing the absolute assignment of all accounts in collateral to secured party and secured party is hereby given the right to audit the books and records of debtor relating to collateral at any time and from time to time. The amounts shown as owed to debtor on debtor's books and on any assignment schedule will be the undisputed amounts owing and unpaid. Debtor shall disclose to secured party all agreements modifying any account, instrument or chattel paper.

13. **Disposition of Collateral.** If disposition of any collateral gives rise to an account, chattel paper or instrument, debtor immediately shall notify secured party, and upon request of secured party shall assign or indorse the same to secured party. No collateral may be sold, leased, manufactured, processed or otherwise disposed of by debtor in any manner without the prior written consent of secured party, except inventory sold, leased, manufactured, processed or consumed in the ordinary course of business.

14. **Accounts.** Each account in collateral will represent the valid and legally enforceable obligation of third parties, and shall not be evidenced by any instrument or chattel paper.

15. **Location of Accounts and Inventory.** Debtor shall give secured party written notice of each office of debtor in which records of debtor pertaining to accounts in collateral are kept, and each location at which inventory in collateral is or will be kept, and of any change of any such location. If no such notice is given, all records of debtor pertaining to accounts and all inventory are and shall be kept at debtor's address shown above.

16. **Notice of Changes.** Debtor will notify secured party immediately of any material change in the collateral, of a change in debtor's residence or location, of a change in any matter warranted or represented by debtor in this agreement or furnished to secured party, and of any event of default.

17. **Use and Removal of Collateral.** Debtor will not use the collateral illegally nor permit the collateral to be affixed to real or personal property without the prior written consent of secured party. Debtor will not permit any of the collateral to be removed from the locations specified herein without the written consent of secured party.

18. **Possession of Collateral.** If the collateral is chattel paper, documents, instruments or investment securities or other instruments, secured party may deliver a copy of this agreement to the broker or seller thereof, or any person in possession thereof, and such delivery shall constitute notice to such person of secured party's security interest therein and shall constitute debtor's instruction to such person to deliver to secured party certificates or other evidence of the same as soon as available. Debtor will deliver all investment securities, other instruments, documents and chattel paper which are part of the collateral and in debtor's possession to the secured party immediately, or if hereafter acquired, immediately following acquisition, appropriately indorsed to secured party's order, or with appropriate, executed powers. Debtor waives presentment, demand, notice of dishonor, protest, and all other notices with respect thereto.

19. **Chattel Paper.** Debtor has perfected or will perfect a security interest by means satisfactory to secured party in goods covered by chattel paper in collateral.

20. **Consumer Credit.** If any collateral or proceeds includes obligations of third parties to debtor, the transactions giving rise to the collateral shall conform in all respects to the applicable state or federal consumer credit law. Debtor shall hold harmless and indemnify secured party against any cost, loss or expense including attorney's fees, arising from debtor's breach of this covenant.

21. **Change of Name.** Without the written consent of secured party, debtor shall not change his name.

22. **Power of Attorney.** Debtor appoints secured party debtor's attorney-in-fact with full power in debtor's name and behalf to do every act which debtor is obligated to do or may be required to do hereunder; however, nothing in this paragraph shall be construed to obligate secured party to take any action hereunder.

23. **Waivers by Debtor.** Debtor waives notice of the creation, advance, increase, existence, extension or renewal of, and of any indulgence with respect to, the obligation; waives presentment, demand, notice of dishonor, and protest; waives notice of the amount of the obligation outstanding at any time, notice of any change in financial condition of any person liable for the obligation or any part thereof, notice of any event of default, and all other notices respecting the obligation; and agrees that maturity of the obligation and any part thereof may be accelerated, extended or renewed one or more times by secured party in its discretion, without notice to debtor.

24. **Other Parties and Other Collateral.** No renewal or extension of or any other indulgence with respect to the obligation or any part thereof, no release of any security, no release of any person (including any maker, indorser, guarantor or surety) liable on the obligation, no delay in enforcement of payment, and no delay or omission or lack of diligence or care in exercising any right or power with respect to the obligation or any security therefor or guaranty thereof or under this agreement shall in any manner impair or affect the rights of secured party under the law, hereunder, or under any other agreement pertaining to the collateral. Secured party need not file suit or assert a claim for personal judgment against any person for any part of the obligation or seek to realize upon any other security for the obligation, before foreclosing upon the collateral for the purpose of paying the obligation. Debtor waives any right to the benefit of or to require or control application of any other security or proceeds thereof, and agrees that secured party shall have no duty or obligation to debtor to apply to the obligation any such other security or proceeds thereof.

F. RIGHTS AND POWERS OF SECURED PARTY

1. **General.** Secured party before or after default without liability to debtor may: obtain from any person information regarding debtor or debtor's business, which information any such person also may furnish without liability to debtor; require debtor to give possession or control of any collateral to secured party; indorse as debtor's agent any instruments, documents or chattel paper in collateral or representing proceeds of collateral; contact account debtors directly to verify information furnished by debtor; take control of proceeds, including stock received as dividends or by reason of stock splits; release collateral in its possession to any debtor, temporarily or otherwise; require additional collateral; reject as unsatisfactory any property hereafter offered by debtor as collateral; set standards from time to time to govern what may be used as after acquired collateral; designate, from time to time, a certain percent of the collateral as the loan value and require debtor to maintain the obligation at or below such figure; take control of funds generated by the collateral, such as cash dividends, interest and proceeds or refunds from insurance, and use same to reduce any part of the obligation and exercise all other rights which an owner of such collateral may exercise, except the right to vote or dispose of collateral before an event of default; at any time transfer any of the collateral or evidence thereof into its own name or that of its nominee; and demand, collect, convert, redeem, receipt for, settle, compromise, adjust, sue for, foreclose or realize upon collateral, in its own name or in the name of debtor, as secured party may determine. Secured party shall not be liable for failure to collect any account or instrument, or for any act or omission on the part of the secured party, its officers, agents or employees, except wilful misconduct. The foregoing rights and powers of secured party will be in addition to, and not a limitation upon, any rights and powers of secured party given by law, elsewhere in this agreement, or otherwise.

2. **Convertible Securities.** Secured party may present for conversion any instrument or investment security in collateral which is convertible into any other instrument or investment security or a combination thereof with cash. But secured party shall not have any duty to present for conversion any instrument in collateral unless it shall have received from debtor detailed written instructions to that effect at a time reasonably far in advance of the final conversion date to make such conversion possible.

G. DEFAULT

1. **Events of Default.** The following are events of default hereunder:

- a. default in the timely payment of any part of the obligation or in performance or observance of the terms and conditions herein or in any other agreement between debtor and secured party;
- b. any warranty, representation or statement made or furnished to secured party herein, heretofore, or hereafter proves to have been false in any material respect when made or furnished;
- c. acceleration of the maturity of debt of debtor to any other person;
- d. substantial change in any fact warranted or represented in this agreement or in any other agreement between debtor and secured party or in any statement, schedule, or other writing furnished in connection therewith;
- e. sale, loss, theft, destruction, encumbrance or transfer of any collateral in violation hereof, or substantial damage to any collateral;
- f. belief by secured party that the prospect of payment of the obligation or performance of this agreement is impaired;
- g. death, incapacity, dissolution, merger or consolidation, termination of existence, insolvency or business failure of debtor or any person liable on the obligation; commencement of proceedings for the appointment of a receiver for any property of debtor; or commission of an act of bankruptcy by debtor; commencement of any proceeding under any bankruptcy or insolvency law by or against debtor (or any corporate action shall be taken to effect same), or any partnership of which debtor is a partner, or by or against any person liable upon the obligation or any part thereof, or liable upon collateral;
- h. levy on, seizure or attachment of any property of debtor;
- i. a judgment against debtor becomes final; or
- j. any liability or agreement of third parties to debtor or on the collateral shall not be paid or performed in accordance with the terms thereof.

2. **Remedies of Secured Party Upon Default.** When an event of default occurs, and at any time thereafter, secured party without notice or demand may declare the obligation in whole or part immediately due and may enforce payment of the same and exercise any rights under the UCC, rights and remedies of secured party under this agreement, or otherwise. Secured party may require debtor to assemble the collateral and make it available to secured party at a place which is reasonably convenient to both parties. Unless the collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, secured party will give debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or other intended disposition thereof is to be made. Expenses of retaking, holding, preparing for sale, selling, leasing or the like shall include secured party's reasonable attorney's fees and legal expenses. Secured party shall be entitled to immediate possession of all books and records evidencing any accounts or general intangibles or pertaining to chattel paper covered by this agreement and shall have the authority to enter upon any premises upon which any of the same, or any collateral, may be situated and remove the same therefrom without liability. Secured party may surrender any insurance policies in collateral and receive the unearned premium thereon. Debtor shall be entitled to any surplus and shall be liable to secured party for any deficiency. The proceeds of any disposition after default available to satisfy the obligation shall be applied to the obligation in such order and in such manner as secured party in its discretion shall decide. If, in the opinion of secured party, there is any question that a public sale or distribution of any collateral will violate any state or federal securities law, secured party (i) may offer and sell securities privately to purchasers who will agree to take them for investment purposes and not with a view to distribution and who will agree to imposition of restrictive legends on the certificates representing the security, or (ii) may sell such securities in an intrastate offering under Section 3(a) (11) of the Securities Act of 1933, and no sale so made in good faith by secured party shall be deemed to be not "commercially reasonable" because so made.

H. GENERAL

1. **Parties Bound.** Secured party's rights hereunder shall inure to the benefit of its successors and assigns, and in the event of any assignment or transfer of any of the obligation or the collateral, secured party thereafter shall be fully discharged from any responsibility with respect to the collateral so assigned or transferred, but secured party shall retain all rights and powers hereby given with respect to any of the obligation or collateral not so assigned or transferred. All representations, warranties and agreements of debtor if more than one are joint and several, and all shall be binding upon the personal representatives, heirs, successors and assigns of debtor.

2. **Waiver.** No delay of secured party in exercising any power or right shall operate as a waiver thereof; nor shall any single or partial exercise of any power or right preclude other or further exercise thereof or the exercise of any other power or right. No waiver by secured party of any right hereunder or of any default by debtor shall be binding upon secured party unless in writing, and no failure by secured party to exercise any power or right hereunder or waiver of any default by debtor shall operate as a waiver of any other or further exercise of such right or power or of any further default.

3. **Agreement Continuing.** This agreement shall constitute a continuing agreement, applying to all future as well as existing transactions, whether or not of the character contemplated at the date of this agreement, and if all transactions between secured party and debtor shall be closed at any time, shall be equally applicable to any new transactions thereafter. Provisions of this agreement, unless by their terms exclusive, shall be in addition to other agreements between the parties.

4. **Definitions.** Unless the context indicates otherwise, definitions in the UCC apply to words and phrases in this agreement; if UCC definitions conflict, Chapter 9 definitions apply.

5. **Notice.** Notice shall be deemed reasonable if mailed postage prepaid at least 5 days before the related action (or if the UCC elsewhere specifies a longer period, such longer period) to the address of debtor given above.

6. **Interest.** No agreement relating to the obligation shall be construed to be a contract for or to authorize charging or receiving, or require the payment or permit the collection of, interest at a rate or in an amount above that authorized by law. Interest payable under any agreement above that authorized by law shall be reduced automatically to the highest amount permitted by law. This provision shall override and supersede all other provisions of any agreement relating to the obligation.

7. **Modifications.** No provision hereof shall be modified or limited except by a written agreement expressly referring hereto and to the provisions so modified or limited and signed by the debtor and secured party, nor by course of conduct, usage of trade, or by the law merchant.

8. **Severability.** The unenforceability of any provision of this agreement shall not affect the enforceability or validity of any other provision.

9. **Gender and Number.** Where appropriate, the use of one gender shall be construed to include the others or any of them; and the singular number shall be construed to include the plural, and vice versa.

10. **Applicable Law and Venue.** This agreement shall be construed according to the laws of Texas. It is performable by debtor in the county of secured party's address set out above.

11. **Financing Statement.** A carbon, photographic or other reproduction of this security agreement or any financing statement covering the collateral shall be sufficient as a financing statement.

Secured Party: REPUBLIC NATIONAL BANK of DALLAS

Debtor: *

By Scott Lovett
Its:

Andrew Sigel
Andrew Sigel
David Rosenberg
David Rosenberg
Marcus Rosenberg
Marcus Rosenberg

*This agreement is binding on each of Andrew Sigel, David Rosenberg and Marcus Rosenberg, jointly and severally, who are referred to herein collectively as "debtor".

THE STATE OF Texas §

COUNTY OF Dallas §

BEFORE ME, the undersigned authority, a Notary Public, on this day personally appeared Scott Lovett, Assistant Vice President of Republic National Bank of Dallas, a national banking association, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Republic National Bank of Dallas, a national banking association, and that he executed the same as the act of such national banking association for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 4th day of December, 1979.

Charles S. Zell
Notary Public in and for
Dallas County, Texas.

ACKNOWLEDGMENT

STATE OF Tenn §
COUNTY OF Shelby §

On this 30 day of Nov., 1979, before me personally appeared Andrew Sigel, to me well known to be the person described in and who executed the foregoing instrument and he acknowledged that he executed the same as his free act and deed, and for the purposes and consideration therein expressed.

Ruth L. Archer
Notary Public in and for
Shelby County, Tenn.

My Commission Expires:

MY COMMISSION EXPIRES JULY 19 1981

STATE OF Texas §
COUNTY OF Dallas §

On this 29 day of Nov., 1979, before me personally appeared David Rosenberg, to me well known to be the person described in and who executed the foregoing instrument and he acknowledged that he executed the same as his free act and deed, and for the purposes and consideration therein expressed.

Gerda B. Baten
Notary Public in and for
Dallas County, Tex.

My Commission Expires:

6-30-80

STATE OF Texas §
COUNTY OF Dallas §

On this 29 day of Nov., 1979, before me personally appeared Marcus Rosenberg, to me well known to be the person described and who executed the foregoing instrument and he acknowledged that he executed the same as his free act and deed, and for the purposes and consideration therein expressed.

Gerda B. Baten
Notary Public in and for
Dallas County, Tex.

My Commission Expires:

6-30-80

SECURITY AGREEMENT

Date December 3, 19 79

Dan L. Hull

P. O. Bx 5517

(Name)

(Street Address)

Texarkana

Bowie County

Texas

75501

(City)

(County)

(State)

(Zip)

hereinafter called "Debtor," hereby grants to THE STATE FIRST NATIONAL BANK OF TEXARKANA

300 Olive Street, Miller County, Texarkana, Arkansas

, hereinafter called "Secured Party," a security interest in the following described property:

One (1) 4,750 cubic foot capacity, 100 ton covered hopper car, Interstate Commerce Commission Road Number PLMX 11322

11174

RECORDATION NO. Filed 1425

DEC 07 1979 - 1 11 PM

INTERSTATE COMMERCE COMMISSION

STATE OF ARKANSAS } ss
COUNTY OF MILLER }

I hereby certify that this is a true and correct copy of the original instrument.

In testimony whereof I have hereunto set my hand and seal this 3 day of Dec, 1979

Dennis D. Phillips
Notary

NOTARY PUBLIC
MILLER COUNTY, ARKANSAS
My Commission Expires Sept. 18, 1983.

(Note—If COLLATERAL is crops, or oil, gas or minerals to be extracted, or timber to be cut, or if COLLATERAL is to become a fixture, describe in the above space following the description of the COLLATERAL the real estate concerned, and give the name of the record owner hereof.)

together with all additions, accessions and substitutions thereto or therefor, and all similar property hereafter acquired, hereinafter called "Collateral." Proceeds of Collateral are also covered but this shall not be construed to mean that Secured Party consents to any sale of such Collateral.

If Collateral includes livestock, Debtor hereby grants a security interest in all increase thereof, all feed, both hay and grain, owned by Debtor, all water privileges, all equipment used in feeding and handling said livestock, and all of Debtor's right, title, and interest in and to all contracts and leases covering lands for pasture and grazing purposes.

This security interest is given to secure: (1) Payment of a note dated December 3, 1979, executed and

delivered by Debtor to Secured Party in the principal sum of \$ 34,100.00, payable as to principal and interest as therein provided; (2) future advances to be evidenced by like notes to be made by Secured Party to Debtor at Secured Party's option; (3) all expenditures by Secured Party for taxes, insurance, repairs to and maintenance of the Collateral and all costs and expenses incurred by Secured Party in the collection and enforcement of the note and other indebtedness of Debtor; and (4) all liabilities of Debtor to Secured Party now existing or hereafter incurred, matured or unmatured, direct or contingent, and any renewals and extensions thereof and substitutions therefor.

DEBTOR EXPRESSLY WARRANTS AND COVENANTS:

OWNERSHIP FREE OF ENCUMBRANCES. Except for the security interest granted hereby, Debtor now owns or will use the proceeds of the advances hereunder to become the owner of the Collateral free from any prior lien, security interest or encumbrance, and Debtor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein.

FINANCING STATEMENTS. No financing statement covering the Collateral or any proceeds thereof is on file in any public office and Debtor will join with Secured Party in executing one or more financing statements in form satisfactory to Secured Party.

INSURANCE. Debtor will insure the Collateral with companies acceptable to Secured Party against such casualties and in such amounts as Secured Party shall require. All insurance policies shall be written for the benefit of Debtor and Secured Party as their interests may appear, and such policies or certificates evidencing the same shall be furnished to Secured Party. All policies of insurance shall provide at least ten (10) days prior written notice of cancellation to Secured Party.

MAINTENANCE. Debtor will keep the Collateral in good condition and free from liens and other security interests, will pay promptly all taxes and assessments with respect thereto, will not use the Collateral illegally or encumber the same and will not permit the Collateral to be affixed to real or personal property without the prior written consent of Secured Party. Secured Party may examine and inspect the Collateral at any time, wherever located.

REIMBURSEMENT FOR EXPENSES. At its option, Secured Party may discharge taxes, liens, security interests, or other encumbrances on the Collateral and may pay for the repair of any damage to the Collateral, the maintenance and preservation thereof and for insurance thereon. Debtor agrees to reimburse Secured Party on demand for any payments so made and until such reimbursement, the amount of any such payment, with interest at ten (10%) per cent per annum from date of payment until reimbursement, shall be added to the indebtedness owed by Debtor and shall be secured by this security agreement.

CHANGE OF RESIDENCE OR LOCATION OF COLLATERAL. Debtor will immediately notify Secured Party in writing of any change in Debtor's residence, and Debtor will not permit any of the Collateral to be removed from the location specified herein without the written consent of Secured Party.